

FISCAL NOTE

SB 1864 - HB 1697

March 17, 2005

SUMMARY OF BILL: Imposes a civil penalty of \$1,000 against an employee that knowingly, willfully, and intentionally causes a medical or wage loss claim to be paid by falsely claiming the injury was work-related.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$32,000 One-Time
\$735,500 Recurring**

**Increase State Revenues - \$1,040,000/Earmarked for Public
Awareness Program Concerning Workers' Compensation Fraud**

Assumptions:

- The Department of Labor and Workforce Development estimates that there will be 2,080 claims investigated and 50% will be false claims.
- The Department will require eight new investigators, two attorneys and six support personnel plus computers, equipment, office supplies and travel.
- Fifty percent of the claims will be false claims and penalty of \$1,000/claim will be imposed. (1,040 claims X \$1,000 = \$1,040,000)

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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